

<p>Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address</p> <p>ARAM ORDUBEGIAN (SBN 185142) M. DOUGLAS FLAHAUT (SBN 245558) ARENT FOX LLP 555 West Fifth Street, 48th Floor Los Angeles, CA 90013-1065 Telephone: 213.629.7400 Facsimile: 213.629.7401 ordubegian.aram@arentfox.com flahaut.douglas@arentfox.com</p> <p><input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: Chapter 7 Trustee John J. Menchaca</p>		<p>FOR COURT USE ONLY</p>	
<p>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION</p>			
<p>In re:</p> <p>JOSE REYNOSO JIMENEZ,</p> <p>Debtor(s).</p>		<p>CASE NO.: 2:14-bk-15052-RK CHAPTER: 7</p> <p>NOTICE OF SALE OF ESTATE PROPERTY</p>	

Sale Date: September 2, 2014	Time: 3:00 PM
Location: Courtroom 1675, 255 East Temple Street, Los Angeles, CA 90012	

Type of Sale: ☒ Public ☐ Private **Last date to file objections:** August 19, 2014

Description of property to be sold: Real property commonly known as 3303 West Beverly Blvd., Montabello, CA
APN 6343-001-024

Terms and conditions of sale: "As is, where is." Free and clear of all liens, claims, interests, and encumbrances.
See Sale Motion and attached court-approved bidding procedures for more detail.

Proposed sale price: \$550,000

Overbid procedure (if any): Minimum overbid of \$560,000. See attached court approved bidding procedures for more detail.

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

Date: September 2, 2014

Time: 3:00 p.m.

Place: Courtroom 1675

255 East Temple Street

Los Angeles, CA 90012

Contact person for potential bidders (include name, address, telephone, fax and/or email address):

Arent Fox LLP

M. Douglas Flahaut

555 West Fifth Street, 48th Floor

Los Angeles, CA 90013-1065

Telephone: 213.629.7400

Email: flahaut.douglas@arentfox.com

Date: 8/12/2014

EXHIBIT 1

Bidding Procedures

Set forth below are the bidding procedures (the “Bid Procedures”) to be employed with respect to the prospective sale (the “Sale”) by John J. Menchaca, the duly appointed chapter 7 trustee (the “Seller”) of the Jose Reynoso Jimenez bankruptcy estate (the “Estate”) (Bankruptcy Case No. 2:14-bk-15052-RK, of the real property commonly known as 3033 W. Beverly Blvd., Montebello, CA and legally described in **Exhibit A** attached hereto (the “Property”) and all of Seller’s and the Estate’s rights appurtenant thereto.

Seller has currently entered into an agreement (the “Sale Agreement”) for the purchase and sale of the Property to 3033 W. Beverly Blvd LLC (the “Buyer”). Seller will seek entry of an order by the United States Bankruptcy Court (the “Bankruptcy Court”), among other things, authorizing and approving the Sale to Buyer or to a Qualified Overbidder (as hereinafter defined) which the Bankruptcy Court may determine to have made the highest or otherwise best offer to purchase the Property (the “Successful Over-Bidder(s)”).

The Bidding Process

Seller shall (i) determine whether any person is a Qualified Overbidder, (ii) coordinate the efforts of Qualified Overbidders in conducting their respective due diligence investigations regarding the Property, (iii) receive offers from Qualified Overbidders, and (iv) negotiate any offer made to purchase the Property (collectively, the “Bidding Process”). Any person who wishes to participate in the Bidding Process must be a Qualified Overbidder. Neither Seller nor his representatives shall be obligated to furnish any information of any kind whatsoever related to the Property to any person who is not a Qualified Overbidder. Seller shall have the right to adopt such other rules for the Bidding Process which, in his reasonable judgment, will better promote the goals of the Bidding Process and which are not inconsistent with any of the other provisions hereof, Title 11 of the United States Code, or of any Bankruptcy Court order.

Participation - Bid Requirements

Unless otherwise ordered by the Bankruptcy Court for cause shown, to participate in the Bidding Process, each person (a “Potential Bidder”) must deliver to Seller the following documents (the “Required Bid Documents”) at least three (3) business days prior to the Auction (defined below), unless Seller waives in writing any/all of these requirements:

(a) Current financial statements or other financial information of the Potential Bidder, or, if the Potential Bidder is an entity formed for the purpose of acquiring the Property, current financial statements or other financial information of the equity holder(s) of the Potential Bidder, or such other form of financial disclosure acceptable to Seller and his advisors, demonstrating such Potential Bidder’s ability to close the proposed transaction;

(b) A letter stating that the Potential Bidder’s offer is irrevocable until the earlier of (x) two (2) business days after the Property has been disposed of pursuant to these Bidding Procedures, or (y) thirty (30) days after the Sale Hearing (defined below);

(c) An executed copy of a purchase agreement: (i) acceptable in form to Seller (the “Overbid Purchase Agreement”), (ii) clearly marked to show any changes from the terms of the Sale Agreement, or (iii) on the same or more favorable terms as the Sale Agreement; provided, however, the purchase price in such proposed Overbid Purchase Agreement must be at least \$560,000.00;

(d) A good faith deposit (the “Good Faith Deposit”) in the form of a certified check (or other form acceptable to Seller in his sole discretion) payable to the order of Seller (or such other party as Seller may determine to hold such funds in escrow) in an amount equal to \$10,000.00; and

(e) Written evidence of a commitment for financing or other evidence of ability to consummate the proposed transaction satisfactory to Seller in his sole discretion. Seller will consider a bid only if the bid is on terms that are not conditioned on obtaining financing.

A Qualified Overbidder is a Potential Bidder that delivers the documents described in subparagraphs (a), (b), (c), (d), and (e) above, whose financial information demonstrates the financial capability of the Potential Bidder to consummate the Sale, and that Seller determines is reasonably likely (based on the availability of financing, experience and other considerations) to submit a *bona fide* offer and to be able to consummate the Sale if selected as the Successful Over-Bidder(s).

Within two (2) business days after a Potential Bidder delivers all of the materials required by subparagraphs (a), (b), (c), (d), and (e) above, Seller shall determine, and shall notify the Potential Bidder in writing, whether the Potential Bidder is a Qualified Overbidder.

The Buyer’s offer set forth in the Sale Agreement and any overbid by Buyer is also a “Qualified Bid” herein.

Due Diligence

Seller may afford each Qualified Overbidder reasonable due diligence access to the Property. Seller will designate an appropriate representative to coordinate all reasonable requests for additional information and due diligence access for such bidders. Seller shall not be obligated to furnish any due diligence information after the Bid Deadline (as defined herein). Neither Seller nor any of his representatives are obligated to furnish any information relating to the Property to any person except to a Qualified Overbidder who provides the Required Bid Documents. Potential Bidders are advised to exercise their own discretion before relying on any information regarding the Property provided by anyone other than Seller or his representatives.

Bid Deadline

A Qualified Overbidder that desires to make a bid shall deliver a written copy of his/her/its bid to Seller’s counsel, M. Douglas Flahaut, Esq. of Arent Fox LLP at 555 West Fifth Street, 48th Floor, Los Angeles, California 90013 (fax: 213-629-7401; email: flahaut.douglas@arentfox.com) **on or before 4:00 p.m. PDT on the third business day prior to the Auction (defined below)**. Seller may extend such deadline in his sole discretion (such deadline, including such extension, the “Bid Deadline”). In addition to the above-referenced extension, Seller may extend the Bid Deadline once or successively, but he is not obligated to do so.

"As Is, Where Is"

The Sale of the Property shall be on an “As Is, Where Is” basis and without representations or warranties of any kind, nature, or description by Seller, his agents or the Estate except to the extent set forth in the Overbid Purchase Agreement of the Successful Over-Bidder as accepted by Seller and approved by the Bankruptcy Court. Except as otherwise provided in the Sale Agreement or an Overbid Purchase Agreement acceptable to Seller, and approved by the Bankruptcy Court, all Seller’s and the Estate’s rights, title and interests in and to the Property

shall be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon and there against (collectively, the “Interests”) in accordance with 11 U.S.C. §§ 363 and 365, with such Interests to attach to the net proceeds of the Sale of the Property.

Each Potential Bidder shall be deemed to acknowledge and represent he/she/it has had an opportunity to inspect and examine the Property and to conduct any and all due diligence regarding the Property prior to making his/her/its offer; that he/she/it has relied solely upon his/her/its own independent review, investigation and/or inspection of any documents and/or assets in making his/her/its bid; and that he/she/it did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Property, or the completeness of any information provided in connection therewith or the Auction (as defined below), except as expressly stated in these Bidding Procedures or, as to the Successful Over-Bidder, the Sale Agreement or the Overbid Purchase Agreement.

Sale Hearing and Auction

After all Qualified Bids have been received, Seller shall conduct an auction (the “Auction”) for the Property. Such Auction shall take place in Court on **September 2, 2014, commencing at 3:00 p.m.** Only a Qualified Overbidder who has submitted a Qualified Bid will be eligible to participate at the Auction. At such Auction, Buyer and Qualified Overbidders will be permitted to increase their bids. Based upon the terms of the Qualified Bids received, the level of interest expressed as to the Property and such other information as Seller determines is relevant, Seller, after reasonable efforts to consult with interested parties, shall conduct an Auction in the manner designed to result in the highest or otherwise best offer for the Property including, but not limited to (i) setting subsequent bid amounts in \$5,000.00 increments or such other amounts as the Bankruptcy Court may order provided however, that the initial overbid by a Qualified Bidder must be \$560,000.00 and (ii) providing for such additional procedural rules that Seller determines, subject to Bankruptcy Court approval, to be reasonable under the circumstances for conducting the Auction.

Upon conclusion of the Auction, Seller shall (i) review each Qualified Bid on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the Sale and (ii) identify the highest and otherwise best offer (the “Successful Over-Bid”). At the Sale Hearing, Seller shall present to the Bankruptcy Court for approval, the Successful Over-Bid and any backup bids. Subject to Bankruptcy Court approval, Seller may adopt rules for the Bidding Process that are not inconsistent with any of the provisions of the Bankruptcy Code, Bankruptcy Rules, any Bankruptcy Court order, or these Bidding Procedures.

The sale hearing (the “Sale Hearing”) shall take place immediately following the Auction. The Sale Hearing may be adjourned or rescheduled without notice by an announcement of the adjourned date of the Sale Hearing. At such Sale Hearing, Seller shall present the Successful Over-Bid to the Bankruptcy Court for approval. Following the Sale Hearing approving the Sale of the Property to a Successful Over-Bidder, if such Successful Over-Bidder fails to consummate an approved sale because of a breach or failure to perform on the part of such Successful Over-Bidder, (a) he/she/it will forfeit his/her/its Good Faith Deposit to Seller and Seller may pursue any and all of his options at law and in equity with respect to such breach and (b) the next highest or otherwise best Qualified Bid, as disclosed at the Sale Hearing, shall be deemed to be the Successful Over-Bid and Seller shall be authorized to effectuate such sale without further order of the Bankruptcy Court or (c) Seller may reschedule for a later date and time, another auction for the Property.

Acceptance of Qualified Bids

Seller presently intends to sell the Property to Buyer or the highest or otherwise best Qualified Overbidder. Seller's presentation to the Bankruptcy Court for approval of a particular Qualified Bid does not constitute Seller's acceptance of such bid. Seller will be deemed to have accepted a bid only when the bid has been approved by an order of the Bankruptcy Court.

Return of Good Faith Deposit

Within five (5) business days after the entry by the Bankruptcy Court approving the Sale of the Property to the Successful Over-Bidder, any Good Faith Deposits submitted by Qualified Bidders shall be returned, along with interest accrued thereon, if any, except for the Good Faith Deposit of the Successful Over-Bidder (and except with respect to any Qualified Bidder willing to serve as a back-up bidder), in which case the Good Faith Deposit will be applied to the purchase price for the Property, and except with respect to any bidder that forfeits his/her/its Good Faith Deposit. In the event a back-up bidder is selected and agrees to be designated as such, that Qualified Bidder's Good Faith Deposit shall continue to be held until the time the sale to the Successful Over-Bidder closes or the back-up bidder becomes the Successful Over-Bidder, at which time the Good Faith Deposit will be applied to the final purchase price.

Modifications

Seller may (a) determine, in his business judgment, which Qualified Bid, if any, is the highest or otherwise best offer; and (b) reject at any time before the entry of an order of the Bankruptcy Court approving a Qualified Bid, any bid that, in Seller's reasonable discretion is (i) inadequate or insufficient, (ii) not in conformity with the conditions of sale, or (iii) contrary to the best interests of Seller, the Estate and/or its creditors. At or before the Sale Hearing, Seller may impose such other terms and conditions as he may determine to be in the best interest of Estate, its creditors and/or other parties in interest, provided that any such other terms or conditions are approved by the Bankruptcy Court.

EXHIBIT "A"

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

LOT 88 AND THE HALF VACATED WALK ADJOINING LOT 88 ON THE NORTHWEST OF TRACT NO. 8502, IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 144, PAGES 34 TO 46 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN 6343-001-024

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
Arent Fox LLP, Gas Company Tower, 555 West Fifth Street, 48th Floor, Los Angeles, CA 90013.

A true and correct copy of the foregoing document entitled: **NOTICE OF SALE OF ESTATE PROPERTY** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date) 8/12/2014, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL**:

On (date) 8/12/2014, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) _____, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

<u>8/12/2014</u>	<u>SIMONA RACEK</u>	<u>/s/ Simona Racek</u>
Date	Printed Name	Signature

This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

M Douglas Flahaut on behalf of Plaintiff John J. Menchaca
flahaut.douglas@arentfox.com

M Douglas Flahaut on behalf of Trustee John J Menchaca (TR)
flahaut.douglas@arentfox.com

Raymond Gaitan on behalf of Debtor Jose Reynoso Jimenez
rgaitan628@aol.com

Raymond Gaitan on behalf of Defendant JOSE REYNOSO JIMENEZ
rgaitan628@aol.com

Raymond Gaitan on behalf of Defendant Jose Reynoso Jimenez
rgaitan628@aol.com

Jeff Hall on behalf of Creditor Freedom Mortgage Corporation
jhall@s-hlawyers.com, lawgroup92675@yahoo.com

Jeff Hall on behalf of Plaintiff FREEDOM MORTGAGE CORPORATION
jhall@s-hlawyers.com, lawgroup92675@yahoo.com

Andy Kong on behalf of Plaintiff John J. Menchaca
Kong.Andy@ArentFox.com

Andy Kong on behalf of Trustee John J Menchaca (TR)
Kong.Andy@ArentFox.com

John J Menchaca (TR)
jmenchaca@menchacacpa.com, ca87@ecfcbis.com;igaeta@menchacacpa.com

Aram Ordubegian on behalf of Plaintiff John J. Menchaca
ordubegian.aram@arentfox.com

Dan Reising on behalf of Plaintiff FREEDOM MORTGAGE CORPORATION
lawgroup92675@yahoo.com

Douglas G Tennant on behalf of Interested Party Courtesy NEF
dtennant@frankel-tennant.com

Eric J Testan on behalf of Interested Party Courtesy NEF
etestan@frankel-tennant.com

Michael D Testan on behalf of Interested Party Courtesy NEF
mtestan@frankel-tennant.com

United States Trustee (LA)
ustpreion16.la.ecf@usdoj.gov

This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

2. SERVED BY UNITED STATES MAIL:

Judge

Honorable Robert Kwan
United States Bankruptcy Court
255 E. Temple Street, Suite 1682
Los Angeles, CA 90012

Debtor

Jose Reynoso Jimenez
620 East Foothill Blvd., Apt. A
Monrovia, CA 91016

United States Trustee

915 Wilshire Blvd, Suite 1850
Los Angeles, CA 90017

Creditor Mailing Matrix

American Express Bank, FSB
c/o Becket and Lee LLP
POB 3001
Malvern, PA 19355-0701

American Express
P.O. Box 981540
Paso, TX 79998-1540

Discover Bank
DB Servicing Corporation
POB 3025
New Albany Ohio 43054-3025

Discover Card Financial Services Corporation
P.O. Box 6103
Carol Stream, IL 60197-6103

Employment Development Dept.
Bankruptcy Group MIC 92E
P.O. Box 826880
Sacramento, CA 94280-0001

First Bank
135 N. Meramec Avenue
Clayton, MO 63105-3792

Franchise Tax Board
Bankruptcy Section MS: A-340
P.O. Box 2952
Sacramento, CA 95812-2952

Los Angeles County Tax Collector
P. O. Box 54110
Los Angeles, CA 90054-0110

Internal Revenue Service
P.O. Box 7346
Philadelphia, PA 19101-7346

Securities Exchange Commission
5670 Wilshire Boulevard,
11th Floor
Los Angeles, CA 90036

Freedom Mortgage Corporation
C/O Smith & Hall, LP
27345 Ortega Highway, Suite 200
San Juan Capistrano, CA 92675-6779

Freedom Mortgage Corporation
Jeff M. Hall Law Offices
27345 Ortega Hwy., Ste. 200
San Juan Capistrano, CA 92675-6779

Home Depot
2455 Paces Ferry Road
Atlanta, GA 30339-1834

James Perry
c/o William Tiffany, Esq
16250 Ventura Blvd, Suite 215
Encino, CA 91436-2280

This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

John J. Menchaca (TR)
835 Wilshire Blvd., Suite 300
Los Angeles, CA 90017-2655

Los Angeles City Clerk
P.O. Box 53200
Los Angeles, CA 90053-0200

PYOD, LLC its successors and assigns
as assign of Citibank, N.A.
Resurgent Capital Services
PO Box 19008
Greenville, SC 29602-9008

Raymond Gaitan
1855 W Katella Avenue Suite 365
Orange, CA 92867-3475

Rey-Oso, Inc.
5948 Temple City Blvd
Temple City, CA 91780-2010

Velocity Commercial Capital
30699 Russell Ranch Road, Ste. 295
Westlake Village, CA 91362-7325

Interested Parties

Rey-Oso, Inc.
Agent for Service of Process: Rafael Reyes
5948 Temple City Blvd.
Temple City, CA 91780

Velocity Commercial Capital
c/o Frankel & Tennant, PC
Attn: Eric. J. Testan
895 Dove Street, Suite 119
Newport Beach, CA 92660

Oregon Trail Corporation
4022 Katella Avenue, Suite 104
Los Alamitos, CA 90702

Oregon Trail Corporation
Agent for Service of Process: Lawrence Lewis
3711 Long Beach Blvd., Suite 801
Long Beach, CA 90807

3303 W Beverly LLC
4019 Medford Street
Los Angeles, CA 90063